

Part 530 – Working Lands Conservation Programs Manual

Subpart S – Regional Conservation Partnership Program – Land Management and Rental Producer Contracts

530.500 General

A. Purpose

- (1) The policy in this subpart applies to Regional Conservation Partnership Program (RCPP) classic land management (LM) and rental activity producer contracts (jointly land management and rental (LMR) producer contracts) for the RCPP authorized under the 2018 Farm Bill.
- (2) This subpart contains the guidance for LMR producer contracts and supplements Title 440-CPM, Part 531, “Regional Conservation Partnership Program,” Subpart F, “Program Contracts” (440-CPM-531-F). For the purpose of this subpart, the term program contracts means RCPP LMR producer contracts.
- (3) RCPP LMR producer contracts provide technical assistance (TA) and financial assistance (FA) to help producers address resource concerns, implement RCPP projects, and attain RCPP project-specific conservation benefits.
- (4) After entering into programmatic partnership agreements (PPAs) with partners, NRCS may enter into producer contracts with eligible producers (or supplemental agreements (SAs) with eligible partners) to provide program assistance to implement eligible activities. This subpart only addresses LMR producer contracts.
 - (i) LM activity funding in RCPP Classic may be awarded through either producer contracts or SAs.
 - (ii) Rental activity awards are only available in RCPP Classic projects through producer contracts.

Note: LMR contracting authority is project specific. NRCS only allows new contract obligations during the term of the PPA for which the RCPP funds are budgeted. Producer contracts must be consistent with the terms of the PPA for which the State received RCPP funding.

Note: Refer to 440-CPM-531, National Instruction (NI) 440-315, “Guidance for Regional Conservation Partnership Program (RCPP) Negotiated Supplemental Agreements (SA),” NI 440-316, “Guidance for Regional Conservation Partnership Program (RCPP) Programmatic Partnership Agreements,” NI 440-310, “NRCS Program Ranking through Conservation Assessment Ranking Tool (CART),” and the RCPP coordinator SharePoint for additional guidance and policy related to 2018 Farm Bill RCPP PPAs, SAs, and ranking.

- (5) In RCPP, the term activity is used in two different ways:
 - (i) Conservation activity addressing a resource concern, and
 - (ii) RCPP FA activity types. Refer to 440-CPM-531, subpart C (440-CPM-531-C) for activity types offered in RCPP.
- (6) If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail. If policy in this subpart conflicts with other RCPP policy, this subpart prevails with respect to LMR contracting. Additional LMR contract-related program requirements are included in exhibit 530.520C, “RCPP Regulation – 7 CFR Part 1464,” of

this subpart. In the event guidance in this subpart or other RCPP policy conflicts with the regulation, the regulation prevails.

Note: State LMR signup announcements and related documentation for each project are published and maintained in each State.

Note: Refer to 440-CPM-531 for guidance related to notices of funding opportunity (NFOs) and PPAs.

B. Authority

- (1) This subpart contains NRCS policy, guidance, and operating procedures for RCPP LMR producer contracts executed under authority of Subtitle I of the Food Security Act of 1985, as amended, and the RCPP regulation at 7 CFR Part 1464. Refer to exhibit 530.520C below, and subpart O, exhibit 530.143I, “Food Security Act of 1985 as Amended,” of this manual.
- (2) This subpart is effective for LMR producer contracts executed during fiscal year (FY) 2022 or thereafter, until superseded. Additionally, policy in this subpart should be used for administration of all contracts executed in FY 2021, unless inconsistent with specific terms of those contracts.

C. Applicability.—RCPP assistance will be made available consistent with selected RCPP proposals and active PPAs, such that LMR producer contracts or other specific RCPP assistance may not always be available in all States, projects, or areas within a project.

D. Administration.—NRCS will manage RCPP LMR producer contracts consistent with approved PPAs and in a similar manner to the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Management Assistance contracts. The PPA may include negotiated provisions that vary from general contracting policy contained in this manual.

530.501 RCPP Funds Management

A. NRCS will make RCPP allocations based on negotiated project budgets.

B. LMR activity funds must be managed in accordance with approved PPA deliverables and exhibits, including but not limited to project, State, and contract type. Refer to 440-CPM-531, subpart I, “Allocating and Managing Funds.”

C. States must monitor fund balances to ensure program funding allocated for a project is not exceeded and is managed within PPA activity-type budget parameters.

D. For multi-State projects, the lead State is responsible for managing the PPA with the lead partner and for coordinating with partner States involved in the project to ensure program funding is managed within project parameters, including but not limited to deliverable budgets and exhibit expectations.

E. Refer to the applicable business tool guidance and NI 440-310 for information on creating ranking pools to manage LMR funding.

530.502 RCPP Eligibility

A. General Eligibility.—Refer to subpart C, “Application for Assistance,” and subpart O, exhibit 530.143C, “Program Eligibility Matrices,” RCPP 2018 LMR tab, of this manual for general eligibility requirements. For RCPP LMR producer contracts, the following eligibility requirements must be met:

- (1) Producer eligibility,
- (2) Land eligibility, and
- (3) Project and activity eligibility.

Note: Other program requirements, including those for EQIP and CSP, do not apply to LMR producer contracts, unless otherwise specified in this subpart, identified in the applicable PPA, or as approved by NHQ on a case-by-case basis.

Note: States must not adjust applicant, land, or activity eligibility requirements based on RCPP project considerations.

B. Producer Eligibility.—To be eligible for an RCPP LMR producer contract, each contract participant must meet the mandatory basic eligibility requirements outlined in subpart C of this manual, which include compliance with the following:

- (1) Highly erodible land and wetland conservation provisions,
- (2) Adjusted gross income (AGI) payment limitations unless an AGI waiver is approved by the Financial Assistance Programs Division (FAPD) division director prior to contract obligation, and
- (3) Effective control of the land.

Note: Water management entities defined in subpart C, section 530.20C(5) of this manual are not eligible applicants for LMR producer contracts. However, an entity that meets eligibility requirements and qualifies as an eligible business type may be eligible for an LMR producer contract as a producer or eligible landowner.

Note: Group applications are to be handled in accordance with subpart R, section 530.402B(2)iii of this manual.

Note: Refer to subpart A, section 530.7 of this manual for policy waiver guidance and NI 440-314, “Adjusted Gross Income (AGI) Waiver Process.” Specifically, RCPP has two types of AGI waivers: AGI limitation waivers for environmental land of special significance and a broader authority for AGI applicability waivers. Refer to NI 440-314 for procedural guidance related to the two types of AGI waivers and submittal process.

C. Land Eligibility.—Land may be eligible for enrollment in RCPP LMR producer contracts if NRCS determines that the land is controlled by an eligible applicant and either is:

- (1) Private or Tribal agricultural land, nonindustrial private forest land, or associated land on which an eligible conservation activity would help achieve the conservation benefits defined for an approved project, or
- (2) Publicly owned agricultural land or associated land, and the enrollment of such land is:
 - (i) Consistent with the eligibility requirements outlined within the appropriate NFO,
 - (ii) Appropriate for the type of eligible activity, and
 - (iii) Necessary for achieving conservation benefits consistent with an approved PPA.

D. Project and Activity Eligibility

- (1) RCPP permits eligible activities under five different FA activity types. This subpart only addresses LMR activity types.
- (2) LM producer contracts may include NRCS-approved conservation practices and enhancements. Refer to section 530.505C(1) below for activities not offered in LMR producer contracts.
- (3) Rental contracts must comply with the project-specific rental activity requirements approved by NRCS and developed in collaboration with the RCPP project lead partner. Refer to section 530.507 and exhibit 530.520A, “Rental Activity Worksheet,” below.
- (4) Each RCPP producer contract must address at least one natural resource concern identified in the executed PPA and be consistent with project-specific activity requirements in the applicable PPA exhibits. For critical conservation area (CCA) projects, each producer contract must not only address a PPA resource concern, but also a CCA priority resource

concern (if the project includes both CCA priority resource concerns and non-CCA project resource concerns). Refer to section 530.504E below for additional guidance related to CCAs.

530.503 RCPP Planning

- A. Refer to subpart D, “Application Processing,” of this manual and LMR exhibits of applicable PPA for general and project-specific planning guidance, respectively.
- B. States must use Conservation Desktop (CD) to identify planning units, create practice schedules, and develop conservation plans and maps to support contract obligation.
- C. NRCS will evaluate the application with respect to addressing resource concerns present at the time of application. This evaluation may include existing conservation practices and new conservation practices or activities that the participant will implement to address the resource concerns identified onsite, including project and/or CCA resource concerns as indicated in section 530.502 above.
- D. Technical service provider (TSP).—When consistent with an approved PPA, TA to producers with LMR contracts may be provided by a qualified TSP. Refer to subparts D and E of this manual and 440-CPM-531-F for additional guidance.

530.504 RCPP Application Processing

- A. This section provides RCPP-specific guidance regarding application processing and ranking. Refer to subparts A, “General Information,” and D, “Application Processing,” of this manual for processing applications, and 440-CPM, Part 502, “Terms and Abbreviations Common to All Programs,” for additional information and criteria.
- B. Accepting Applications
 - NRCS will—
 - (i) Accept applications from any producer who has land included within a project area under a PPA.

In addition to guidance found in subpart C, “Application for Assistance,” of this manual, partners may submit to NRCS a bundle of applications as documented in the applicable PPA. Refer to section 530.504B(iv) below for additional guidance.
 - (ii) Group similar applications within each project into appropriate ranking categories (within the same project-specific LMR ranking pool) based on application or applicant similarities.

Example: Provide a category for historically underserved (HU) LMR applications and a second category for general LMR applications. Provide three separate categories for LM, rental, and LMR.
 - (iii) After execution of a PPA, accept producer applications on a project-specific basis.
 - (iv) Give priority to applications that are submitted as part of a bundle by a lead partner, as defined in the “Land Management” or “Land Rental” exhibit of the PPA, subject to limits in NI 440-310.
 - The process for submitting bundled applications and points awarded will be negotiated on a project-by-project and activity-by-activity basis and documented as applicable in the PPA.
 - These applications will be identified and processed following the guidance in this subpart and NI 440-310.

Note: Basis for partner-bundled applications must be consistent with Federal civil rights protections (e.g., resource concerns addressed or locations are defensible partner-bundling criteria). Bundling of applications based on need for an AGI waiver would not be valid, or at a minimum would require substantial analysis (on part of the partner) to document nondiscriminatory effect within a specific project.

- (v) Develop an evaluation and ranking process to prioritize eligible applications for funding that address the purposes of the project or CCA, including treating the identified project or priority resource concerns, as applicable.
- (vi) Establish signup deadlines for each project based on the PPA and in coordination with the lead partner. Signups can start as soon as they are announced on the State’s website and must run for at least 30 days. Refer to subpart B, section 530.12B of this manual for additional guidance. In addition, the following applies:
 - State conservationist will establish application cutoff dates to manage workloads and ensure national deadlines are met, and
 - Where PPA deliverables include LMR conservation activities in the same State and in the same year, these two activities are to be offered in a single signup and ranking pool.

C. Screening

States may use screening tools in accordance with policy in subpart D, section 530.32 of this manual to support RCPP signups. In addition to the policy outlined in subpart D, section 530.32A(3), if a State uses a screening tool to facilitate RCPP project ranking, it must also be consistent with the project-specific PPA. PPA-related considerations with potential to affect the use of screening tools include:

- (i) RCPP screening tools should support (or not prevent) prioritization of any specific applications identified as exempt from ranking in an executed PPA’s exhibits (PPA exhibit 1, “Land Management Activity Expectations,” and exhibit 2, “Rental Activity Expectations”), and
- (ii) RCPP screening tools may not be used to amplify or circumvent the importance of “partner bundling” or other ranking policies as described in NI 440-310.

D. Application Ranking

- (1) Refer to subpart D, “Application Processing,” of this manual for additional guidance on assessment and ranking.
- (2) States must use the guidance provided in NI 440-310 and applicable RCPP exhibits to establish their CART ranking pools, including the following:
 - (i) Applications may not receive more than 25 percent of CART program points for being “partner-bundled.”
 - (ii) States must use the ranking pool naming convention in NI 440-310. LMR ranking pools must be named according to the following convention:

(4-digit RCPP ID) (Activity Type: LMR) (Award Type: Producer or Supplemental) (Optional: Fiscal Year), e.g., 1234 LMR Producer (where 4-digit RCPP project ID is “1234”)
 - (iii) For multi-State PPAs, the lead State is responsible for coordinating with the partner States involved in the project area to ensure consistency with an approved PPA and to maintain similarity of ranking criteria, evaluation, and implementation processes.
- (3) NRCS may give ranking consideration to applications from HU participants in accordance with subpart C, section 530.21 of this manual and NI 440-310, and consistent with the PPA,

as applicable. Additionally, if consistent with the PPA, HU-specific ranking categories may be used.

- (4) States may create one or more ranking categories within each project-specific LMR ranking pool to manage project-specific ranking priorities, such as HU producers or funding for preselected purposes identified in a PPA.
- (5) RCPP coordinator or designee will select eligible applications for funding in order of ranking priority, taking into account identified evaluation criteria, evaluation periods, and ranking pools.
- (6) NRCS may decline to select an eligible application if the remaining funding in the project as a whole is insufficient to fund that application, and NRCS may proceed to the next application in ranked order that can be funded with available funding. The State conservationist or designee must conduct quality assurance to ensure this flexibility is limited and used judiciously. When this occurs, documentation should be maintained to address potential appeals or audit concerns.

E. Applications in CCAs

- (1) The PPA identifies CCAs and associated priority resource concerns. Refer to the applicable NFO, 440-CPM-531-C, and other guidance issued by NHQ for details on the CCAs and their associated resource concerns.
- (2) NRCS will select eligible applications for producer contracts within CCAs that address one or more priority resource concerns for which the CCA is designated.

530.505 RCPP Contracting and Contract Management

A. Requirements of a Program Contract.—For a producer to receive payments, they must enter into a producer contract and agree to the terms and conditions associated with the type of eligible activity to be implemented. Refer to subpart E of this manual for general contract requirements.

B. A program contract will:

- (1) Identify the requirements for participation under RCPP, including:
 - (i) Contract duration.—The maximum allowable contract length for RCPP LMR contracts is 10 years. However, typically LMR contracts should be shorter to support shared NRCS and partner responsibility to ensure that each PPA delivers expected project outcomes by the end of its term.
 - (ii) Maximum Federal payment amounts or rates.
 - (iii) The eligible activities that the producer agrees to implement.
 - (iv) The requirements to demonstrate successful implementation of those eligible activities.
- (2) Incorporate the RCPP schedule of operations, which includes a timeline for implementation of selected eligible activities.
- (3) Incorporate provisions to further the purposes of the PPA.
- (4) Incorporate all provisions as required by statute or regulation, including requirements that the participant will:
 - (i) Not conduct any action that would defeat the purpose of the program,
 - (ii) Refund any program payments received with interest, and forfeit any future payments under the program, upon the violation of a term or condition of the program contract consistent with policy in this manual and 7 CFR Section 1464.33(C), and
 - (iii) Supply information if required by NRCS to determine compliance with program requirements.
- (5) Specify any other provision determined necessary by NRCS to ensure the program purpose is met.

C. Schedule of Operations

(1) The schedule of operations for LM producer contracts may include conservation practices and enhancements offered under EQIP and CSP. The following conservation activities are not offered in RCPP LMR producer contracts:

- (i) Enhancement bundles, and
- (ii) Stewardship payments (existing activity payments).

Note: RCPP producer payments are limited to 100 percent of typical scenario cost. Accordingly, payments available in RCPP for some enhancements may be capped at a lower amount than they would be in CSP.

(2) The schedule of operations of an LM contract may include rental activities. In such situations, the following requirements apply:

- (i) Rental activities are allowed on public lands only if they are controlled by an eligible producer, which comply with section 530.502C(2) above, that are included in the producer contract, and are consistent with the NFO limitations on public lands contracting,
- (ii) Use the rental activity codes included in section 530.507A(1) below to develop the schedule of operations, and
- (iii) Follow project-specific rental activity and program requirements in section 530.507 below.

(3) The schedule of operations must include practices or activities that address the resource concerns identified in the PPA.

(4) RCPP allows a practice, enhancement, or rental activity to be scheduled on the same land multiple times as long as each instance addresses a resource concern. Participants can earn payment multiple times provided that the schedule of operations and contracted items meet the following criteria:

- (i) Supports the PPA objectives,
- (ii) Demonstrates measurable outcomes, and
- (iii) Meets applicable activity requirements.

Note: Refer to section 530.506F below, and subpart F, section 530.51C(1) of this manual for duplication of payments policy.

(5) The State conservationist may develop additional requirements to be included in the schedule of operations by publishing a State supplement to the manual. Refer to subpart A, “General Information,” of this manual for additional guidance related to supplements to the manual.

D. Review and Quality Assurance

(1) Field offices must complete the “RCPP LM and Rental Producer Contract Preobligation Checklist” in exhibit 530.520D below prior to contract obligation. The State or area office must conduct preobligation quality assurance reviews for each funding period by reviewing 100 percent of approved applications and documenting the results in the “RCPP LM and Rental Producer Contract Preobligation Checklist.” Guidance in subpart H, section 530.71A(3) of this manual does not apply to LMR.

(2) Reviews must ensure contracts are valid, consistent with the terms of the RCPP PPA (including LM and rental exhibit expectations and deliverable-based budget), and with the RCPP authorities.

(3) States must conduct second level obligation reviews consistent with policy in subpart E, section 530.41E of this manual for additional guidance.

530.506 RCPP Contract Payment and Contract Limitations

A. This section provides specific guidance for LMR producer contracts. Refer to subpart F, “Payments,” of this manual, and Title 300, Land Treatment Programs Handbook, Part 600, “Payment Schedules,” for general guidance regarding payments.

B. Upon completion and certification that the conservation practices or activities meet applicable NRCS standards and requirements, NRCS will make RCPP FA payments to participants based on written participant requests on Form NRCS-CPA-1245, “Practice Approval and Payment Application.”

C. LMR producer contracts may contain two types of RCPP FA activities eligible for payments:

- (1) LM activity type, and
- (2) Rental activity

Note: Refer to section 530.507 below for rental activity guidance.

D. Payment Eligibility.— Participants must be eligible for payments in accordance with section 530.502 above in order to receive payments.

E. Contract Limit

- (1) Each LMR contract with a person or legal entity is limited to \$450,000 over the term of the contract.
- (2) Each LMR contract with a joint operation (Farm Service Agency business type 2 or 3) and each group project may have a contract limit of up to \$900,000. States do not need to request a contract limit waiver from the FAPD division director for joint operations to receive the higher contract limit.
- (3) The contract limitation will not increase due to the change in business type for contract transfers from a person or legal entity to a joint operation.
- (4) States must conduct quality assurance to ensure the contract limit is not exceeded. Planners must place a cost cap, if necessary, to ensure the contract limit is not exceeded, including when LMR producer contracts are transferred from a person to a joint operation.

Note: Indian Tribes or Alaska Native Corporations are not subject to contract limits.

Note: RCPP does not have payment limitations like EQIP and CSP.

F. Duplication of Payment

- (1) NRCS will not issue FA to a participant through a producer contract for eligible activities if the participant receives payments or other benefits for the same or similar eligible activities on the same land under any other conservation program administered by USDA.
- (2) LMR producer contracts with a rental activity planned cannot include other conservation practices or activities on the same land at the same time where the selected payment scenario includes foregone income.
- (3) Refer to section 530.507A(6) below for rental payment scenario development and rental activity contracting policy to prevent duplicative payments.

530.507 RCPP Rental Activity Payments

A. Rental Activity Payments

- (1) The following rental activity types are used to make payments for RCPP projects involving rental activities:
 - (i) RFRN.—FA rental payment based on NRCS-defined model, and

- (ii) RFRP.—FA rental payment based on negotiated project-specific model.
- (2) RCPP producer contracts may include rental activity payments only if they are included in the approved PPA.
- (3) Rental activities may be included in a producer contract only when NRCS determines that such activities would address project resource concerns. In addition, the participant shall agree to implement project-specific rental activity requirements as outlined in exhibit 530.520A, “Rental Activity Worksheet,” below.
- (4) Participants will earn rental payments for completion of RFRN or RFRP practices per contract terms, included in the schedule of operations and associated implementation requirements. States will use RCPP rental activity codes available in the Conservation Practice Data Entry System and further described in exhibit 530.520A below to develop the schedule of operations.

Example: Where a PPA establishes a rental activity budget for a project, and exhibit 530.520A below documents project-specific requirements, NRCS will include rental activities in project ranking pools, and the participants can potentially earn project-specific rental payments for adopted RFRN or RFRP practices.

Note: If RFRN and RFRP activity codes do not appear in a State’s practice list, the State should verify that they have been turned “on” in CD user preferences.

- (5) States are required to use exhibit 530.520A, “Rental Activity Worksheet,” and exhibit 530.520B, “RFRP Payment Scenario Justification Worksheet,” below.
 - (i) Exhibit 530.520A.—Documents both project- and participant-level implementation requirements, as well as certification that the requirements are met prior to approving payment. State conservationists are responsible for ensuring that when rental activities are part of an RCPP project, exhibit 530.520A below is developed to provide guidance for use of RFRN or RFRP activities in producer contracts. States must also ensure that field staff managing applications and producer contracts involving rental activities are aware of project-level rental activity requirements for each project where they will be offered and that they provide those requirements to applicants and participants.
 - (ii) Exhibit 530.520B.—Use this worksheet to document justification for RFRP payment scenarios. The lead State conservationist is responsible for ensuring exhibit 530.520B below is developed when RFRP rates are used to support rental activities. It must document RFRP scenario costs, payment percentage, and per-unit payment amounts.
- (6) Required approvals:
 - (i) State conservationists must approve exhibit 530.520A below in all cases.
 - (ii) States must also prepare exhibit 530.520B below for all RFRP rental payments. To facilitate RFRP rate processing, States must ensure that if RFRP rates do not use acres as the contracting unit, exhibit 530.520B below includes estimates of RFRP payments on a per-acre basis.
 - (iii) Where all RFRP rates are less than or equal to the lowest RFRN irrigated cropland scenario payment rate, State conservationists may also approve exhibit 530.520B below upon completion of State analysis.
 - (iv) NHQ approval is required when any RFRP payment rate will exceed the lowest RFRN irrigated cropland rate. States must submit their requests using exhibit 530.520B below and submit all supporting documentation through the [FAPD SharePoint site](#) - Program Questions.

Note: States must actively manage rental payment scenario development and rental activity contracting to prevent duplicative payments. Potential indicators of duplicative payments that relate to rental activities include:

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- Rental payments to a participant after easement closing if the rental payment and easement purposes are similar,
- Rental payments for land enrolled in the Conservation Reserve Program,
- Rental payments for land earning a CSP payment for rental activity-related activities, including any related existing activity payment, or
- Rental payments associated with conservation practices or activities that include a forgone income component related to rental payment activity implementation requirements.

530.520 Exhibits

- A. Rental Activity Worksheet
- B. RFRP Payment Scenario Justification Worksheet
- C. RCPP Regulation – 7 CFR Part 1464
- D. RCPP Land Management and Rental Producer Contract Preobligation Checklist